

KENYA REINSURANCE CORPORATION LIMITED

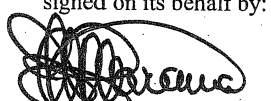
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2012


	Notes	Long term business 2012 Sh'000	Short term business 2012 Sh'000	Total 2012 Sh'000	Total 2011 Sh'000
INCOME					
Gross premiums written		1,052,583	6,891,600	7,944,183	6,613,884
Less: change in unearned premiums		-	(505,533)	(505,533)	(513,276)
Less: retrocession premiums		(148,345)	(235,990)	(384,335)	(365,930)
NET EARNED PREMIUMS	6	904,238	6,150,077	7,054,315	5,734,678
Investment income	7	555,471	2,095,951	2,651,422	1,419,902
Commissions receivable		69,012	1,182	70,194	27,202
Fair value gains on revaluation of investment properties	15	80,771	442,237	523,008	684,498
Other income	8	-	94,254	94,254	72,093
NET INCOME		1,609,492	8,783,701	10,393,193	7,938,373
Gross claims incurred		(252,268)	(3,969,308)	(4,221,576)	(3,263,744)
Amounts recoverable from retrocessionaires		-	159,999	159,999	323,889
NET CLAIMS INCURRED	9	(252,268)	(3,809,309)	(4,061,577)	(2,939,855)
Commissions payable		(272,338)	(1,769,517)	(2,041,855)	(1,729,908)
Operating and other expenses	10	(112,835)	(971,306)	(1,084,141)	(773,051)
Provision for doubtful debts		-	(466,919)	(466,919)	(646,559)
TOTAL EXPENSES		(385,173)	(3,207,742)	(3,592,915)	(3,149,518)
SHARE OF PROFIT OF ASSOCIATE	18	-	205,934	205,934	187,777
PROFIT BEFORE TAXATION		972,051	1,972,584	2,944,635	2,036,777
TAXATION CHARGE	12(a)	(26,527)	(116,216)	(142,743)	(122,193)
PROFIT FOR THE YEAR		945,524	1,856,368	2,801,892	1,914,584
OTHER COMPREHENSIVE INCOME/(LOSS)					
Fair value (loss)/gain arising on revaluation of available-for-sale financial assets	29	-	779,704	779,704	(544,462)
Reclassification from equity of accumulated fair value gain on available-for-sale financial assets sold in the year	7	-	(314,209)	(314,209)	(237,162)
Share of movement in associate reserves:					
- currency translation	18	-	15,757	15,757	47,412
- fair value reserve	18	-	13,812	13,812	(21,543)
- revaluation reserve	18	-	2,180	2,180	828
Surplus on revaluation of equipment		-	-	-	4,158
Deferred tax on revaluation of equipment		-	-	-	(832)
Adjustment to deferred tax on revaluation surplus due to Change in tax rate from 20% to 30%		-	(2,466)	(2,466)	-
		-	494,778	494,778	(751,601)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		945,524	2,351,146	3,296,670	1,162,983
EARNINGS PER SHARE - basic and diluted	13			4.00	2.74

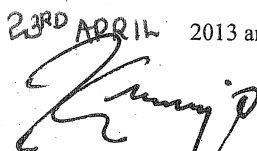
KENYA REINSURANCE CORPORATION LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012

	Notes	Long term business 2012 Sh '000	Short term business 2012 Sh '000	Total 2012 Sh '000	Total 2011 Sh '000
ASSETS					
Investment properties	15	1,050,000	4,885,000	5,935,000	5,365,000
Property and equipment	16	-	80,511	80,511	87,196
Intangible assets	17	-	2,604	2,604	10,472
Investment in associate	18	-	1,340,048	1,340,048	1,133,445
Deferred taxation asset	19	-	614,709	614,709	330,551
Deferred acquisition costs	20	-	761,158	761,158	626,597
Unquoted equity instruments	21	-	89,971	89,971	89,971
Inventories	22	-	28,794	28,794	28,794
Non current assets held for sale	23	-	40,032	40,032	186,858
Mortgage loans	24	-	521,539	521,539	320,074
Taxation recoverable	12(c)	-	-	-	15,795
Receivables arising out of reinsurance arrangements	25	28,956	1,489,546	1,518,502	1,248,975
Premium and loss reserves	26	-	290,178	290,178	337,672
Other receivables	27	-	56,470	56,470	42,781
Corporate bonds	28	-	153,970	153,970	48,393
Quoted equity instruments	29	-	2,436,749	2,436,749	2,008,823
Government securities	30	1,511,468	3,947,650	5,459,118	3,357,582
Deposits with financial institutions	31	1,820,218	2,397,171	4,217,389	3,687,082
Cash and bank balances	41	67,831	173,384	241,215	170,380
TOTAL ASSETS		4,478,473	19,309,484	23,787,957	19,096,441
EQUITY					
Share capital	32	-	1,749,873	1,749,873	1,500,000
Revaluation reserve	33	-	15,994	15,994	13,439
Fair value reserve	33	-	1,299,255	1,299,255	817,768
Translation reserve	33	-	145,305	145,305	129,548
Statutory reserve	33	2,402,630	-	2,402,630	1,457,106
Retained earnings	33	-	9,000,098	9,000,098	7,608,624
Shareholders' funds		2,402,630	12,210,525	14,613,155	11,526,485
LIABILITIES					
Long term reinsurance contract liabilities	34	2,073,032	-	2,073,032	2,285,709
Short term reinsurance contracts liabilities	35	-	3,049,991	3,049,991	2,373,622
Unearned premiums	36	-	2,662,244	2,662,244	2,156,709
Payables arising out of reinsurance arrangements	37	2,811	706,634	709,445	394,555
Defined benefit liability	38	-	96,190	96,190	118,560
Other payables	39	-	419,239	419,239	240,801
Taxation payable	12(c)	-	164,661	164,661	-
TOTAL LIABILITIES		2,075,843	7,098,959	9,174,802	7,569,956
TOTAL EQUITY AND LIABILITES		4,478,473	19,309,484	23,787,957	19,096,441

The financial statements on pages 14 to 62 were approved by the board of directors on ^{23RD} APRIL 2013 and were signed on its behalf by:


Principal Officer


Director


Director

KENYA REINSURANCE CORPORATION LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	Share capital Sh '000	Revaluation reserve Sh '000	Fair value reserve Sh '000	Translation reserve Sh '000	Statutory reserve Sh '000	Retained earnings Sh '000	Total Sh '000
At 1 January 2011		1,500,000	8,291	1,620,935	82,136	1,016,714	6,345,426	10,573,502
Profit for the year		-	-	-	-	440,392	1,474,192	1,914,584
Other comprehensive (loss)/ income		-	4,154	(803,167)	47,412	-	-	(751,601)
Total comprehensive income		-	4,154	(803,167)	47,412	440,392	1,474,192	1,162,983
Dividends declared - 2010	14	-	-	-	-	-	(210,000)	(210,000)
Transfer of excess depreciation		-	1,242	-	-	-	(1,242)	-
Deferred taxation thereon		-	(248)	-	-	-	248	-
At 31 December 2011		1,500,000	13,439	817,768	129,548	1,457,106	7,608,624	11,526,485
At 1 January 2012		1,500,000	13,439	817,768	129,548	1,457,106	7,608,624	11,526,485
Issue of shares (note 32)		249,873	-	-	-	-	(249,873)	-
Profit for the year		-	-	-	-	945,524	1,856,368	2,801,892
Other comprehensive (loss)/income		-	(2,466)	481,487	15,757	-	-	494,778
Total comprehensive income		-	(2,466)	481,487	15,757	945,524	1,856,368	3,296,670
Dividends declared - 2011	14	-	-	-	-	-	(210,000)	(210,000)
Transfer of excess depreciation		-	7,173	-	-	-	(7,173)	-
Deferred taxation thereon		-	(2,152)	-	-	-	2,152	-
At 31 December 2012		1,749,873	15,994	1,299,255	145,305	2,402,630	9,000,098	14,613,155

KENYA REINSURANCE CORPORATION LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	2012 Sh '000	2011 Sh '000
Cash generated from operations	40	556,429	1,131,248
Interest received on corporate bond		11,567	5,838
Interest received on government securities		520,185	339,947
Tax paid in the year	12(c)	(248,911)	(307,847)
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Net cash generated from operating activities		839,270	1,169,186
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Cash flows from investing activities			
Purchase of investment property	15	(46,992)	(64,002)
Purchase of property and equipment	16	(12,216)	(20,415)
Proceeds of disposal of equipment	16	-	6,650
Dividend received from associate company	18	31,080	33,759
		<hr/>	<hr/>
Net cash used in investing activities		(28,128)	(44,008)
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Cash flows from financing activities			
Dividends paid	14	(210,000)	(210,000)
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Net increase in cash and cash equivalents		601,142	915,178
Cash and cash equivalents at 1 January		3,857,462	2,942,284
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Cash and cash equivalents at 31 December	41	4,458,604	3,857,462
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